

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

July 28, 2006

Pam Grubaugh-Littig
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84114

Therese
C/007/0042

RE: Second Quarter 2006 Inspection Report
Star Point Refuse Pile C/007/042

Dear Pam:

Please find enclosed a copy of the Second Quarter 2006 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area. The inspection was performed by a qualified SCA employee and certified by a professional engineer from Twin Peaks Engineering.

Should you have any questions, please contact Rusty Netz or myself at (435) 888-4476.

Thank You,

Michael J. Blakey
Agent For
Sunnyside Cogeneration Associates

Enclosure

c.c. Robert Escalante
Rusty Netz
Plant File

RECEIVED

AUG 01 2006

DIV. OF OIL, GAS & MINING

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
Permit Number	C/007/042	Report Date 7/25/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 005	
	Impoundment Number	005	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	June 15, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Second Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 6.96 acre-feet</p> <p>Sediment Storage Capacity = 2.42 acre-feet Pond bottom elevation = 7387.3 60% sediment elevation = 7393 Maximum Sediment Depth Elevation = 7394.9 Existing Sediment Elevation = 7394 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7401.3 Dewatering Orifice = 7394.9</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Sediment Pond 005

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

Pond had some water

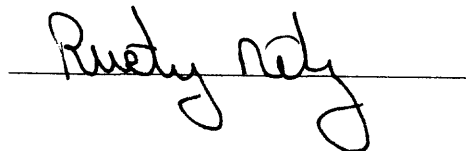
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No structure or stability problems observed with the pond. There was a culvert above the pond which washed out and contributed a significant amount of sediment into the pond. The culvert was repaired and the area restored. See pictures attached with the Coarse Refuse Pile inspection report.

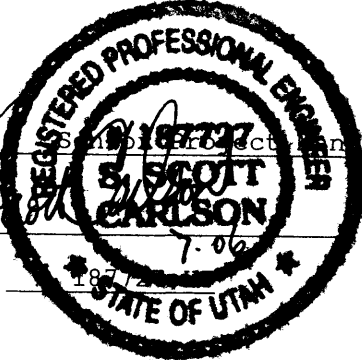
Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 7/25/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <div style="text-align: center; margin-top: 20px;">  </div> <p>By: <u>S. Scott Carlson</u> Sediment Project Manager (Full Name and Title)</p> <p>Signature: _____ Date: <u>7/25/06</u></p> <p>P.E. Number & State: <u>187727-UT</u></p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 006	
Permit Number	C/007/042	Report Date 7/25/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 006	
	Impoundment Number	006	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	June 15, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Second Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 2.6 acre-feet</p> <p>Sediment Storage Capacity = 0.76 acre-feet</p> <p>Pond bottom elevation = 7132.7</p> <p>60% sediment elevation = 7138.8</p> <p>Maximum Sediment Depth Elevation = 7140.7</p> <p>Existing Sediment Elevation = 7138 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7147.2</p> <p>Dewatering Orifice = 7140.7</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Sediment Pond 006

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,
no structural or hazardous conditions exist.

Pond had a some water

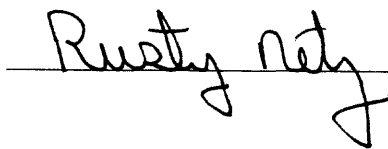
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes.
No structure or stability problems observed.

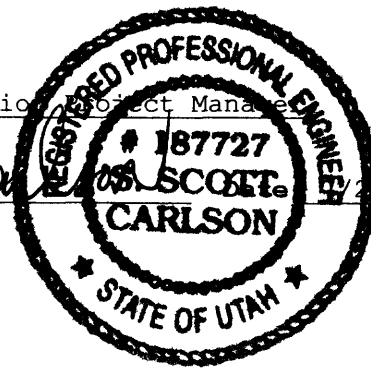
**Qualification
Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____


Date: 7/25/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 006	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>		
	<p>By: <u>S. Scott Carlson, P.E. Senior Project Manager</u></p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p>		



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 009	
Permit Number	C/007/042	Report Date 7/25/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 009	
	Impoundment Number	009	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	June 15, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Second Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 7.4 acre-feet</p> <p>Sediment Storage Capacity = 2.02 acre-feet</p> <p>Pond bottom elevation = 7435.0</p> <p>60% sediment elevation = 7437.7</p> <p>Maximum Sediment Depth Elevation = 7439.3</p> <p>Existing Sediment Elevation = 7437 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Emergency Spillway Elevation = 7446.5</p> <p>Primary Drain Elevation = 7445.5</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 009	
<p>4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.</p> <p>No discharge, inlet/outlet conditions are good, No structural or hazardous conditions exist. Pond had some water</p>			
<p>5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.</p> <p>No changes, no structure or stability problems observed.</p>			
Qualification Statement	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>Signature: <u>Rusty Retz</u> Date: <u>7/25/06</u></p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 009	
CERTIFIED REPORT		
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
COMMENTS AND OTHER INFORMATION		
None		
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: <u>S. Scott Carlson, P.E. Senior Engineer Manager</u> Signature: <u><i>S. Scott Carlson</i></u> P.E. Number & State: <u>187727 - UT</u>		

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	C/007/042	Report Date 7/25/06
Mine Name	STAR POINT WASTE FUEL	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	File Name:	Coarse Refuse Pile
	File Number	N/A
	MSHA ID Number	Abandoned by MSHA Jan 2004
Inspection Date	June 15, 2006	
Inspected By	Rusty Netz	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Second Quarter Inspection 2006
		Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Field Evaluation		
1. Foundation preparation, including the removal of all organic material and topsoil. N/A		
2. Placement of underdrains and protective filter systems. N/A		
3. Installation of final surface drainage systems. N/A		
4. Placement and compaction of fill materials. N/A Removal of Refuse Material Only		

INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE

Coarse Refuse Pile

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

No smokers visible

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

Waste Coal Removal

Excavation and hauling operations are occurring from the top of the pile

There was a culvert on the side of the pile that washed out and contributed a significant amount of sediment into the pond below. The culvert was repaired and the area restored. See attached pictures of the conditions before and during the repairs.

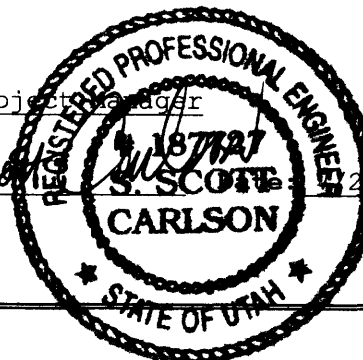
**Certification
Statement**

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.


By: S. Scott Carlson - Senior Project Manager
(Full Name and Title)

Signature: _____

P.E. Number & State: 187727 - UT



INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Disposal Area	
Permit Number	C/007/042	Report Date 7/25/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	File Name:	Disposal Area	
	File Number	N/A	
	MSHA ID Number	N/A	
Inspection Date	June 15, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Second Quarter Inspection 2006	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Field Evaluation			
<p>1. Foundation preparation, including the removal of all organic material and topsoil.</p> <p>The site selected for the new disposal area is the old slurry ponds. Any topsoil recovered would have been addressed prior to the pond construction.</p>			
<p>2. Placement of underdrains and protective filter systems.</p> <p>N/A</p>			
<p>3. Installation of final surface drainage systems.</p> <p>N/A</p>			
<p>4. Placement and compaction of fill materials.</p> <p>Did not receive disposal materials during this Quarter.</p>			

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Disposal Area	
<p>5. Final grading and revegetation of fill.</p> <p>N/A</p>		
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p>None</p>		
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p>No Construction occurred during this quarter.</p>		
Certification Statement	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson - Senior Project Manager</u> (Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p> 	



South Side of Coarse Refuse Pile (Pond 005 in foreground)

June 15, 2006



From top of refuse pile looking down culvert alignment towards Pond 005 June 15, 2006



Looking at culvert and slope repairs in progress

June 16, 2006